



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**LARRY B. MARTIN  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
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**FEBRUARY REVENUES**

NASHVILLE – Tennessee tax collections were once again below the budgeted estimate in February, a trend that began in August of last year. Department of Finance and Administration Commissioner Larry Martin today announced that overall February revenues were \$737.2 million, which is \$37.2 million less than the state budgeted.

“February sales tax collections, which reflect consumer spending in January, recorded modest growth for the month as did franchise and excise taxes along with several of the smaller tax categories,” Martin said.

“The modest growth rate in sales tax collections continues to indicate very slow economic improvement, and we continue to be concerned with the lack of positive growth in our corporate tax collections. We will remain cautiously optimistic while managing spending for a balanced budget.”

On an accrual basis, February is the seventh month in the 2013-2014 fiscal year.

The general fund was under collected by \$40.2 million and the four other funds were over collected by \$3.0 million.

Sales tax collections were \$14.8 million less than the estimate for February. The February growth rate was positive 1.10%. The year-to-date growth rate for seven months is positive 3.33%.

Franchise and excise taxes combined were \$8.0 million below the budgeted estimate of \$46.1 million. For seven months revenues are under collected by \$215.3 million. The year-to-date growth rate for seven months is negative 14.10%.

Gasoline and motor fuel collections for February decreased by 0.24%, and were \$3.6 million below the budgeted estimate of \$68.1 million. For seven months revenues are under collected by \$4.3 million.

Tobacco tax collections were \$4.0 million over the budgeted estimate of \$19.5 million. For seven months revenues are under collected in the amount of \$2.3 million.

Inheritance and estate taxes were over collected by \$2.1 million for the month. Year-to-date collections for seven months are \$17.2 million more than the budgeted estimate.

Privilege tax collections were \$2.6 million less than the February estimate, and on a year-to-date basis, August through February, collections are \$7.0 million below the estimate.

Business tax collections were \$12.6 million below the February budgeted estimate, and for seven months collections are \$11.4 million less than the budgeted estimate of \$63.6 million.

All other taxes were under collected by a net of \$1.7 million.

Year-to-date collections for seven months were \$259.9 million less than the budgeted estimate.

The general fund was under collected by \$259.8 million and the four other funds were under collected by \$0.1 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19<sup>th</sup>, 2012 and adopted by the first session of the 108<sup>th</sup> General Assembly in April 2013. They are available on the state's website at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013 to hear updated revenue projections from the state's various economists. The board met again on December 17 and adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

**Table 1**  
**Revenue Collections by Fund**  
**February**  
**2013-2014**

<b>Fund</b>	<b>2014</b>				<b>2013</b>	<b>2014</b>	
	<b>Actual</b>	<b>Budgeted</b>	<b>B/(W)</b>	<b>Percent</b>	<b>Actual</b>	<b>B/(W)</b>	<b>Percent</b>
General Fund	\$566,308,000	\$606,507,000	(\$40,199,000)	-6.63%	\$592,624,000	(\$26,316,000)	-4.44%
Highway Fund	55,024,000	56,880,000	(1,856,000)	-3.26%	54,674,000	350,000	0.64%
Sinking Fund	33,667,000	33,808,000	(141,000)	-0.42%	32,983,000	684,000	2.07%
City & County Fund	79,272,000	74,246,000	5,026,000	6.77%	61,091,000	18,181,000	29.76%
Earmarked Fund	2,900,000	2,900,000	0	0.00%	2,900,000	0	0.00%
<b>Total</b>	<b>\$737,171,000</b>	<b>\$774,341,000</b>	<b>(\$37,170,000)</b>	<b>-4.80%</b>	<b>\$744,272,000</b>	<b>(\$7,101,000)</b>	<b>-0.95%</b>

**Revenue Collections by Tax**  
**February**  
**2013-2014**

<b>Tax Source</b>	<b>2014</b>				<b>2013</b>	<b>2014</b>	
	<b>Actual</b>	<b>Budgeted</b>	<b>B/(W)</b>	<b>Percent</b>	<b>Actual</b>	<b>B/(W)</b>	<b>Percent</b>
Franchise & Excise	\$38,114,000	\$46,100,000	(\$7,986,000)	-17.32%	\$37,944,000	\$170,000	0.45%
Income	1,518,000	2,411,000	(893,000)	-37.04%	2,172,000	(654,000)	-30.11%
Inheritance & Estate	8,816,000	6,697,000	2,119,000	31.64%	8,679,000	137,000	1.58%
Gasoline	48,404,000	50,407,000	(2,003,000)	-3.97%	48,268,000	136,000	0.28%
Petroleum Special	4,979,000	5,089,000	(110,000)	-2.16%	4,968,000	11,000	0.22%
Tobacco	23,508,000	19,514,000	3,994,000	20.47%	24,096,000	(588,000)	-2.44%
Beer	1,345,000	1,397,000	(52,000)	-3.72%	1,550,000	(205,000)	-13.23%
Motor Vehicle Registration	21,843,000	21,478,000	365,000	1.70%	22,204,000	(361,000)	-1.63%
Motor Vehicle Title	829,000	997,000	(168,000)	-16.85%	936,000	(107,000)	-11.43%
Mixed Drink	5,737,000	5,549,000	188,000	3.39%	5,133,000	604,000	11.77%
Business	5,537,000	18,122,000	(12,585,000)	-69.45%	16,671,000	(11,134,000)	-66.79%
Privilege	15,040,000	17,598,000	(2,558,000)	-14.54%	15,316,000	(276,000)	-1.80%
Gross Receipts	186,000	92,000	94,000	102.17%	116,000	70,000	60.34%
TVA - In Lieu of Tax Payments	27,075,000	28,410,000	(1,335,000)	-4.70%	27,297,000	(222,000)	-0.81%
Alcoholic Beverage	3,217,000	3,126,000	91,000	2.91%	3,246,000	(29,000)	-0.89%
Sales and Use	519,697,000	534,500,000	(14,803,000)	-2.77%	514,021,000	5,676,000	1.10%
Motor Vehicle Fuel	11,117,000	12,647,000	(1,530,000)	-12.10%	11,418,000	(301,000)	-2.64%
Severance	207,000	205,000	2,000	0.98%	223,000	(16,000)	-7.17%
Coin-operated Amusement	1,000	2,000	(1,000)	-50.00%	14,000	(13,000)	-92.86%
Unauthorized Substance	1,000	0	1,000	NA	0	1,000	NA
<b>Total</b>	<b>\$737,171,000</b>	<b>\$774,341,000</b>	<b>(\$37,170,000)</b>	<b>-4.80%</b>	<b>\$744,272,000</b>	<b>(\$7,101,000)</b>	<b>-0.95%</b>

**Table 2**  
**Revenue Collections by Fund**  
**Year-to-Date**  
**August - February**  
**2013-2014**

Fund	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$5,175,780,000	\$5,435,592,000	(\$259,812,000)	-4.78%	\$5,187,607,000	(\$11,827,000)	-0.23%
Highway Fund	386,807,000	390,342,000	(3,535,000)	-0.91%	388,694,000	(1,887,000)	-0.49%
Sinking Fund	239,838,000	240,147,000	(309,000)	-0.13%	234,082,000	5,756,000	2.46%
City & County Fund	483,966,000	480,167,000	3,799,000	0.79%	467,590,000	16,376,000	3.50%
Earmarked Fund	20,300,000	20,300,000	0	0.00%	20,300,000	0	0.00%
<b>Total</b>	<b>\$6,306,691,000</b>	<b>\$6,566,548,000</b>	<b>(\$259,857,000)</b>	<b>-3.96%</b>	<b>\$6,298,273,000</b>	<b>\$8,418,000</b>	<b>0.13%</b>

**Revenue Collections by Tax**  
**Year-to-Date**  
**August - February**  
**2013-2014**

Tax Source	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$763,950,000	\$979,200,000	(\$215,250,000)	-21.98%	\$889,364,000	(\$125,414,000)	-14.10%
Income	13,198,000	15,304,000	(2,106,000)	-13.76%	21,348,000	(8,150,000)	-38.18%
Inheritance & Estate	65,172,000	47,951,000	17,221,000	35.91%	56,770,000	8,402,000	14.80%
Gasoline	356,747,000	358,603,000	(1,856,000)	-0.52%	357,594,000	(847,000)	-0.24%
Petroleum Special	36,568,000	37,146,000	(578,000)	-1.56%	36,633,000	(65,000)	-0.18%
Tobacco	153,043,000	155,336,000	(2,293,000)	-1.48%	159,456,000	(6,413,000)	-4.02%
Beer	10,083,000	10,143,000	(60,000)	-0.59%	10,511,000	(428,000)	-4.07%
Motor Vehicle Registration	137,487,000	134,836,000	2,651,000	1.97%	135,655,000	1,832,000	1.35%
Motor Vehicle Title	6,611,000	7,078,000	(467,000)	-6.60%	6,327,000	284,000	4.49%
Mixed Drink	42,261,000	40,534,000	1,727,000	4.26%	39,017,000	3,244,000	8.31%
Business	52,208,000	63,633,000	(11,425,000)	-17.95%	61,183,000	(8,975,000)	-14.67%
Privilege	142,977,000	149,984,000	(7,007,000)	-4.67%	132,727,000	10,250,000	7.72%
Gross Receipts	12,066,000	14,799,000	(2,733,000)	-18.47%	11,156,000	910,000	8.16%
TVA - In Lieu of Tax Payments	196,726,000	200,649,000	(3,923,000)	-1.96%	200,897,000	(4,171,000)	-2.08%
Alcoholic Beverage	32,001,000	31,273,000	728,000	2.33%	30,497,000	1,504,000	4.93%
Sales and Use	4,192,699,000	4,225,500,000	(32,801,000)	-0.78%	4,057,643,000	135,056,000	3.33%
Motor Vehicle Fuel	91,237,000	93,073,000	(1,836,000)	-1.97%	90,001,000	1,236,000	1.37%
Severance	1,499,000	1,417,000	82,000	5.79%	1,392,000	107,000	7.69%
Coin-operated Amusement	138,000	89,000	49,000	55.06%	98,000	40,000	40.82%
Unauthorized Substance	20,000	0	20,000	NA	4,000	16,000	NA
<b>Total</b>	<b>\$6,306,691,000</b>	<b>\$6,566,548,000</b>	<b>(\$259,857,000)</b>	<b>-3.96%</b>	<b>\$6,298,273,000</b>	<b>\$8,418,000</b>	<b>0.13%</b>